

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6592

BILL NUMBER: HB 1611

NOTE PREPARED: Dec 19, 2002

BILL AMENDED:

SUBJECT: Child Care Home Limits.

FIRST AUTHOR: Rep. Whetstone

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill excludes certain children from being counted for purposes of determining whether the number of children present in a child care home exceeds the limit for which the child care home is licensed.

Effective Date: July 1, 2003.

Explanation of State Expenditures:

Explanation of State Revenues: The exclusion of certain children over the age of 11 from the child care count will limit the need for corrective actions. Currently, an individual found out of compliance with child care count requirements is subject to: (1) disciplinary sanctions from the Division; (2) a civil penalty not to exceed \$1,000 to be deposited in the Child Care Fund; and (3) a penalty associated with a Class B misdemeanor.

(1) Disciplinary Sanctions - The Division has the authority to either suspend the license for not more than six months, or revoke the license of a child care home found out of compliance with the child count standard. If fewer homes are found out of compliance, the Division will incur fewer administrative costs associated with disciplinary proceedings. Total savings are dependent upon the reduction in disciplinary proceedings associated with this bill. **Number of Instances** - In CY 2001 the Division revoked 38, denied 11, and suspended 1 child care home licenses. In addition, the Division issued 15 cease & desist orders for unlicensed child care homes. The number of administrative actions due to homes not complying with the child count standard is not known.

(2) *Civil Penalty* - The division may impose a civil penalty, not to exceed \$1,000, for individuals that violate child care regulations. If fewer homes are found out of compliance, less penalty money will be deposited in the child care fund. The reduction of funds is dependent upon the reduction in civil penalties associated with this bill. **Number of Instances** - none.

(3) *Class B Misdemeanor* - If this bill reduces the number of court cases, revenue to both the Common School Fund and the state General Fund would decrease. The maximum fine for a Class B misdemeanor is \$1,000. Criminal fines are deposited in the Common School Fund. If the case is filed in a circuit, superior, or county court, 70% of the \$120 court fee that is assessed and collected when a guilty verdict is entered would be deposited in the state General Fund. If the case is filed in a city or town court, 55% of the fee would be deposited in the state General Fund. **Number of Instances** - One case pending currently.

Explanation of Local Expenditures: (3) *Class B Misdemeanor* - If this bill reduces the number of individuals charged with a Class B misdemeanor for not complying with child care licensing standards incarceration costs may be reduced. A Class B misdemeanor is punishable by up to 180 days in jail. The average daily cost to incarcerate a prisoner in a county jail is approximately \$44.

Explanation of Local Revenues: (3) *Class B Misdemeanor* - If this reduces the number of court cases, local governments would receive less revenue from the following sources: (1) Currently, the county general fund receives 27% of the \$120 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. (2) A \$3 fee would be assessed and, if collected, would be deposited into the county law enforcement continuing education fund. (3) A \$2 jury fee is assessed and, if collected, would be deposited into the county user fee fund to supplement the compensation of jury members.

State Agencies Affected: Family and Social Services Administration.

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources: Susan Kilty, Legislative Liaison, Division of Family and Children, FSSA, 317-232-4451.

Fiscal Analyst: Michael Molnar, 317-232-9559